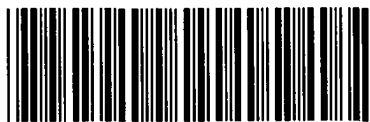


Charity Registration No. 1103321

Company Registration No. 05018628 (England and Wales)

ABBOTS BROMLEY SCHOOL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2018

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ABBOTS BROMLEY SCHOOL LIMITED

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ABBOTS BROMLEY SCHOOL LIMITED

COMPANY INFORMATION

DIRECTORS AND ADVISORS

Directors

Mrs P A Norvall (Chairman)
Mr S James LLB Hons (Deputy Chairman)
Mr S Bourne
Revd. S C Davis BSc MA MIET
Mrs H M Graham BA Hons
Mr R H Knight JP FRICS (resigned 30 November 2018)
Professor Dr K R Luther
Mr R Mansell ACIB (resigned 29 November 2018)
Mr I Whyte DO

Secretary

Mr F P M van Driel

Charity No.

1103321

Company No.

05018628

Principal Address and Registered Office

High Street
Abbots Bromley
Staffordshire, WS15 3BW

Key Management Personnel

Head

Mr R D Udy

Bursar

Mr F P M van Driel

Auditors

Grant Thornton UK LLP
Victoria House, 199 Avebury Boulevard,
Milton Keynes, MK9 1PU

Solicitors

Flint Bishop & Barnett
St Michaels Court
St Michaels Lane
Derby, DE1 3HQ

Insurance Brokers

Marsh
Capital House
1 to 5 Perrymount Road
Haywards Heath
West Sussex, RH16 3SY

ABBOTS BROMLEY SCHOOL LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2018

The directors present their report and financial statements for the year ended 31st August 2018 and confirm they comply with the requirements of the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006.

Cessation of School Operations

During the year to 31st August 2018, the governing body of Abbots Bromley School was in negotiation with the Woodard Corporation in relation to a deal that would allow the school to leave the Woodard group in order to access external funding. In March 2018 the Abbots Bromley governors and trustees of Woodard reached a formal agreement on the terms of the arrangement under which separation would be achieved. One of the principal terms was for the school to repay loan funding provided by Woodard to support the school in September 2013 and May 2014, included as a creditor to the Woodard company at 31st August 2017. Between September 2017 and November 2017, the school received donations from The Guild of S. Mary and S. Anne which were used to support the operational budget (including capital projects) for the academic year 2017/2018. In April and May 2018, the school received donations from a benefactor which were used to repay the loan funding provided by Woodard at that date, along with some working capital for the school. The school is very grateful for the generous donations.

The school continued to seek sufficient funding to allow the governing body of Abbots Bromley to become directly responsible for its future, but this did not prove possible and in late November 2018 the Abbots Bromley governing body concluded that the immediate risk to the future of the school, outside the Woodard group, was unacceptable and they decided to remain part of the Woodard family. The school entered into new loan agreements with Woodard to support school operations. At a meeting in late February 2019 the directors of Abbots Bromley School Limited took the regrettable decision that, barring a significant change in circumstances, the company would cease trading as a school as from the end of the Summer Term. At a meeting in late February 2019 the directors of Abbots Bromley School Limited took the regrettable decision that, barring a significant change in circumstances, the company would cease trading as a school from the end of the Summer Term. After exploring initial options, an announcement was made in March 2019 and with all viable alternatives having been explored, trading operations finished as at 31st August 2019.

In the period since December 2018, the school has entered into a series of new loan agreements with Woodard for provision of financial support. This support was initially provided to support school operations, and after the cessation announcement further funds have been provided to allow for the orderly closure of school operations and settlement of contractual liabilities.

With the continuing support of the Woodard Corporation the Abbots Bromley School Limited company will remain open allowing for an orderly closure of the school and repayment of contractual liabilities. As outlined in note 1(b), the Abbots Bromley governing body has prepared and approved these financial statements on the going concern basis.

The governors of Abbots Bromley School Limited are grateful for the support provided by all staff, parents, pupils, alumni, benefactors suppliers and others during the period of significant disruption leading up to and following the announcement that school operations would cease. The decision was not taken lightly and all relevant factors were taken into account in reaching the conclusion. The governors thank all who have been associated with the school for their support over the years.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity was formed in 2004 and is registered with the Charity Commission as charity number 1103321. The charity is a limited liability company and wholly owned subsidiary of The Woodard Corporation (charity number 1096270). The charitable company is incorporated in the United Kingdom. Directors of the Company are also Fellows (members) of the Woodard Corporation (Woodard) and participate in the election of its board of management and are committed to its charitable objects.

Notes 35 and 36 provide details of connected charities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by Articles of Association as adopted by Special Resolution dated 20 March 2013, replacing those dated 15th January 2004 amended by Special Resolution(s) dated

ABBOTS BROMLEY SCHOOL LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2018

25th January 2006, 28th April 2009, and 23rd June 2009. They permit funds to be managed in such a manner as the directors see fit, if such powers are only exercised for the purposes of attaining the objects and in a manner which is legally charitable. The Articles of Association forbid the distribution of any property or funds, which are to be applied solely towards the promotion of the objects of the company.

Governing Body

The governors are the directors and charitable trustees of the company and comprise the governing body of Abbots Bromley School Limited and are elected to hold office for five years. The school is governed by the governing body which operates using several committees. Membership of each committee is outlined on page 14. The governing body met 6 times during the year.

Recruitment and Training of Governors

All governors are Fellows of the Woodard Corporation. Fellows are responsible for electing the Woodard Board. Governors are recruited on the basis of nominations from school contacts and from selection when a post becomes available. The governing body look to ensure a mix of skills and select new governors on the basis of background, competence, specialist skills and, in the case of Fellows, Christian commitment. Governors are provided with induction training and a wider programme of training events is organised by Woodard. The school also encouraged governors to attend events run by the Association of Governing Bodies of Independent Schools (AGBIS).

Where possible the governors consider that the skills and experience of the Governing body should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with senior managerial or business experience.
- A Governor with experience of equal opportunities or disability needs.
- At least one female Governor and at least one male Governor.

One Governor may have one or more of these skills.

Volunteers

Governors are volunteers providing their time for free to support the governance of the school. The school had several volunteer groups helping the school to raise funds, assisting in school events and providing other help where required.

Organisational Management

The school is governed by the governing body which delegates work to several committees. Membership of each committee is outlined on page 14. The directors determine the general policy of the company.

Audit Committee – this committee is responsible for overseeing governance, internal control, and risk. It does this through consideration of audit management letters and other reports relating to governance and control of the school and reports to the governing body. It meets twice annually.

Education Committee – this committee was responsible for oversight of the academic performance of the school and educational policy, making recommendations to the governing body. It met four times during the year.

Estates Committee – this committee develops the school's estates strategy, including capital developments and maintenance of the buildings and it makes recommendations to the governing body. It met five times during the year.

Finance and General Purposes Committee – this committee has a remit to consider budgets, both revenue and capital, cash flow information and financial reports, including the financial statements. It also considers financial policies and the financial regulations. It makes recommendations to the governing body for approval. It met five times during the year.

Health & Safety Committee - this committee is responsible for management of the health & safety arrangements at the school. The committee also considers the general maintenance and standards of existing school buildings. It met formally once during the year, but health & safety monitoring and health & safety issues are raised at every full governing body meeting.

ABBOTS BROMLEY SCHOOL LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2018

Marketing Committee – this committee oversaw the considerable marketing activities and liaison with the local community, setting strategy, agreeing marketing priorities and providing guidance to the school marketing team. It oversaw the website. It met six times during the year.

Strategy Committee – this committee makes recommendations to the governing body regarding the strategic direction of the school and was responsible for considering the strategic plan in detail. It met twice during the year.

The day to day management of the company was delegated to the Head and the Bursar as the Key Management personnel, overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration is undertaken within the policies and procedures approved by the governors which provide for only significant expenditure decisions and major capital projects to be referred to the governors for prior approval.

The Head oversaw the recruitment of all educational staff, whilst under delegated authority the Bursar oversaw the recruitment of administrative and non-teaching support staff. The Head and Bursar were invited to attend governors' meetings.

The remuneration of key management personnel was set by the Governing body, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the school's success.

The appropriateness and relevance of the remuneration policy was reviewed annually, including reference to comparisons with other independent schools to ensure that the school remained sensitive to the broader issues of pay and employment conditions elsewhere.

We aimed to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of the charitable vision and purpose is primarily dependent on the key management personnel and staff costs are the largest single element of charitable expenditure.

Group Structure and Relationships

The school has a wholly owned non-charitable subsidiary, Abbots Bromley School Enterprises Limited, the activities and trading of which were letting school premises and facilities. Notes 35 and 36 provide details of connected charities.

The school developed links with a wide range of organisations to ensure the widest possible access to facilities and schooling. Through membership of GSA, ICS, BSA and ISBA and through networking with peer groups we ensured that we could attain the highest standards of quality and performance. We encouraged our pupils to develop an awareness of the social context of the all-round education they received at the school and they are engaged in several activities to enhance their understanding. We have a thriving alumni group, The Guild of S. Mary and S. Anne and a strong parental support group, the Friends of Abbots Bromley, who have always been generous in supporting the work of the school and whose support we greatly appreciate. The school also benefits considerably from the generosity and support of the Guild of S. Mary and S. Anne Abbots Bromley Foundation, both in regards to bursaries and future fund-raising activities.

We also cooperate with many local charities in our on-going endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive.

CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to promote and extend education (including spiritual, moral, social, cultural, and physical education) in accordance with the doctrines and principles of the Church. The Church is defined as being the Church of England and churches in full communion with the See of Canterbury.

In setting our objectives and planning our activities the governors have considered the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education and on fee-charging. Abbots Bromley School Limited is a charitable trust which seeks to benefit the public through the pursuit of stated aims.

ABBOTS BROMLEY SCHOOL LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2018

The school's charitable objectives are to promote and extend education, and these objectives are recognised as benefiting the public when pursued in the context of formal education in a body where all surplus funds are re-invested. The Woodard Corporation and all the schools it owns are charitable bodies, with no external shareholders and no possibility of making distributions, including in the form of dividends.

The school was academically non-selective in its intake and welcomed pupils from all backgrounds. The school ensured that it could meet the educational needs of prospective pupils and that they could cope with the pace of learning and benefit from the education we provided. An individual's economic status, gender, ethnicity, race, religion, or disability did not form part of the assessment processes.

The school was a part of a wider community. The school offered a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. The governors were committed to developing the programme of corporation and joint working with local maintained sector primary and secondary schools. The activities undertaken and the success of the programme are explained in the 'review of achievements and performance for the year' section of this report.

Intended impact

Woodard schools strive for the best all round education of every aspect of each individual; they ensure high standards of religious education; and they see themselves as communities working together for the benefit of all members, and of the Church and the nation. They are strong Christian foundations which adhere to catholic belief as found in the Church, to Christian worship focused in the Eucharist, and to the care of each individual and the whole school community particularised in the ministry of the Chaplain.

Aims

Abbots Bromley School Limited was a boarding and day independent school for pupils from the ages of 3 to 18. It aimed to support children in reaching their potential in all areas of their activity at the school, and in the wider community. This may have been in academic subjects but could just as easily be reflected in success in art, drama, sport, music, or dance. We produced 'well rounded' individuals who could make a positive contribution to society. All Woodard schools aim to provide a rounded education to help the pupils to make their way in adult life.

Primary objectives

Whilst operational, the primary objectives of Abbots Bromley School to fulfil these aims were:

- to provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, respect for one other and good citizenship;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgment and to communicate those decisions appropriately and effectively;
- to provide financial support to enable children whose parents are unable to afford the full fees to benefit from an Abbots Bromley School education;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately, and
- to provide the necessary administrative and logistic framework to meet the needs of members of staff and pupils alike.

Strategies to achieve the primary objectives

These included the on-going review by the management team, overseen by the governing body, of the curriculum, the quality of teaching and learning, and a series of selective marketing initiatives all aimed at pupil recruitment and retention, and boarding. On-going changes to both the GCSE and A-level curriculum present challenges and 'Continuing Professional Development' for all staff was therefore again given a high priority. The finance team continued to exercise close financial monitoring and the provision of good value for money.

The objectives set for this school year are outlined below but, in summary, were to continue to build

ABBOTS BROMLEY SCHOOL LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31ST AUGUST 2018

on the recent excellent academic achievements, to continue the academic momentum and sustain the growth in pupil numbers.

Principal Activities of the Year

The principal activity of the school was the delivery of education to pupils ranging from 3 to 18 years of age. We also ran a number of summer school activities and the school was open at other times for use by the local community. Pupil numbers at the school during the year were as follows:

	2017/2018		2016/2017	
Senior School	190	(87 boarders)	161	(78 boarders)
Preparatory School	40	(3 boarders)	38	(2 boarders)
Pre-Preparatory School	17		22	
Total	247		221	

	2017/2018		2016/2017	
	Boys	Girls	Boys	Girls
Senior School	29	161	19	144
Preparatory School	13	27	11	26
Pre-Preparatory School	10	7	10	11
Total	52	195	40	181

Public Benefit

Within the objects, the school aimed to create an environment to nurture children, to get the best from them and allow them to develop and fulfil their potential. We provided children with a first-class independent education and a wide range of sporting and artistic opportunities. The public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community.

In the furtherance of these aims the Abbots Bromley School governors, as the charity directors, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

The school welcomed pupils from all backgrounds. To admit a prospective pupil, we needed to be satisfied that the school would be able to educate and develop them to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments were undertaken to satisfy the school and parents that potential pupils could cope with the pace of learning and benefit from the education we provided. An individual's economic status, gender, ethnicity, race, religion, or disability did not form part of the assessment processes.

The school was a part of a wider community and we were keen that our staff and pupils participate. The school also offered a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. The governors were always committed to developing the programme of corporation and joint working with local maintained sector primary and secondary schools. The activities undertaken and the success of the programme are explained in the 'review of achievements and performance for the year' section of this report.

Woodard and its schools provide a significant benefit to the public. The school strived to ensure that measures of public benefit were appropriate, and that significant sections of the public were not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, the school provided a wide range of opportunities for community benefit and facilities and events were often open to all. Further detail of the public benefit offered is included in the section entitled 'review of achievements and performance for the year' below.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for directors attending training courses: any private benefits to individuals or elements of Woodard are incidental to delivery of the charitable objectives.

ABBOTS BROMLEY SCHOOL LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2018

Bursaries & Scholarships

Bursaries

The governors viewed the bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees could access the education offered. The bursary awards were available to all who met the general entry requirements and were made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk for example in the case of redundancy. In assessing means we used the methodology promulgated by the Independent Schools' Bursars Association, which takes a number of factors into consideration including family income, investments and savings and family circumstances for example dependant relatives and the number of siblings. The school does not have an endowment and in funding awards we have had to be mindful to ensure a balance between fee-paying parents, many of whom made considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

The bursary awards ranged from 10% to 60% remission of fees. We also had a hardship fund that supplemented bursary awards to pay for co-curricular activities, equipment and school trips. Information about fee assistance through bursaries was provided to all applying to the school. We also advertised the awards each summer in the local press and at local libraries. Further details of the bursary policy and how to apply were available on the website.

In 2017-18 the value of means tested bursaries totalled £159,908 and represented 4% of the gross fees. They aided assistance to 39 pupils. A small number of bursaries were not necessarily means tested, but made the academic and social benefits of education affordable.

Scholarships

The purpose of the scholarship awards was to recognise high academic potential or the ability to excel in co-curricular activities. Scholarships were awarded on the basis of the individual's academic potential or evidence of exceptional abilities which would contribute to our co-curricular activities. In addition, awards may be subject to conditions imposed by the original donor.

Scholarships were awarded with a fixed remission of fees of between 10% and 20%. Where further assistance was required, scholarship awards may have been supplemented by a means tested bursary. We advertised the availability of scholarship awards each summer in the local press and at local libraries. Further details of the scholarship policy were available on the website.

The school awarded scholarships to 85 pupils, based on their educational merit and potential, totalling £269,687 and representing 6% of gross fees. Of this number, 64 were provided with both a scholarship and means-tested bursary.

The progress of pupils receiving scholarships was reviewed at least annually to ensure their progress was in line with their abilities. No scholarships were withdrawn in the year as a result of reviews. The availability of all such awards for fee-assistance, together with the terms and conditions for each kind of award, was advertised on the website.

Other policies on assistance

Financial planning policy and Fees in Advance

Timely financial planning is often the key for many parents and/or grandparents who are hoping to send their (grand) children to Abbots Bromley School and a 'School Fees Plan' was available to help those who wished to fund educational costs through regular contributions. Discounts were available for those wishing to pay lump sum into the 'Fees in Advance Scheme'.

Sibling Discount

To underline the value, we placed on continuity for families; we offered discounts where parents had more than one child at the school. Whilst the first (eldest) child was still in attendance at the school we offered a 10% discount on academic fees to siblings.

Forces Remissions

For pupils for whom either parent was a serving member in the armed forces, we offered a 10% reduction on academic fees for pupils in kindergarten to year 9 and up to a 20% reduction for pupils in year 10 to year 13.

ABBOTS BROMLEY SCHOOL LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2018

Clergy

We offered a 10% reduction on academic fees for any pupil whose parent was a serving member of the clergy.

Former Pupil Discount

There was a 10% reduction in fees for pupils whose parent was a former pupil at Abbots Bromley School and was also a current member of the Guild of S. Mary and S. Anne.

Early Payment Discount

We offered a 3% early payment discount for fees which are paid one year in advance.

Boarding Initiative

As part of the commitment to boarding, flexibility was the keynote of the packages, all of which were tailored to meet the needs of a modern family. We offered full boarding, weekly boarding, and for day pupils, overnight boarding, which was a unique opportunity to try boarding for two nights in any academic term at a very competitive rate.

Assistance for staff

As part of the emphasis on attracting and retaining high calibre staff, we offered a discount scheme where staff members chose to educate their children at the school.

Review

The school included details of the various concessions in the prospectuses and on the website. All parents making enquiries about possible entry were provided with a description of the criteria for bursaries and scholarships. In most cases the budget for bursaries was allocated using a "needs blind" approach as far as possible, whilst giving priority to the continuity of education of those pupils already at the school. All criteria and policies relating to concessions were kept under review and were updated when necessary.

Employment Policy

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Investment Policy and Objectives

The company's memorandum and articles of association permit funds to be invested in such manner as the directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. For the 'Advanced Fees Scheme', the aim is to match the return on investments with the maturation profile of the related liability to provide schooling in future years.

Investment activities are managed in line with the requirements of the Trustee Act 2000. The governors have appointed UBS Wealth Management (UK) Limited as investment manager. The investment policy is to preserve the capital value of investments and maximise the return and income on all investments.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Significant Events

In the summer term a new Head, Mr Udy, took up his post. Mr Udy is highly experienced in school leadership, having been a Deputy Head at Abbots Bromley School for 5 years.

The Promotion of Education

During the year, we educated an average of 247 children between the ages of 3 and 18. The school provided a very high standard of education and this was validated in review of the academic results, measurements of added value and through external inspection. The school offered a broad curriculum and educated children with a wide range of ability. We strove to ensure creativity in all

ABBOTS BROMLEY SCHOOL LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2018

areas of curricular and extra-curricular provision.

Academic Results

With the start of changes in the approach to grading of GCSEs in 2016-17, more emphasis in assessing academic performance was placed on measures of progress and achievement in English and Maths. The percentage of pupils who achieved grade 5 or above in the reformed English and maths GCSEs was 43% (2017: 30%), which was around the national average. The percentage of pupils who achieved grade 4 or above (equivalent to a grade C previously) in the reformed English and maths GCSEs was 57%, up from 39% in 2017.

At A Level, the average points score per pupil was 34.55, which is above the national average and up from 29.27 in 2017.

Improving Facilities

We continued to improve facilities through constant investment in the fabric of the buildings and assets, and ambitious programmes to provide the best facilities to support teaching and learning. Abbots Bromley School continued with its ambitious refurbishment programme and during 2017-18 undertook refurbishments including creating a gym area in the sports hall, modernisation of the laundry room and redecorating staff accommodation. We have also invested in a new telephone system.

Art, Music and Drama

One of the important elements of any Woodard school is the concentration on arts, music, and drama. Abbots Bromley School was involved in all aspects of these activities and more, with the renowned Alkins School of Dance achieving outstanding levels of performance.

Abbots Bromley has been consistently recognised for the quality of its creative arts with pupils undertaking Musical Grade examinations in a wide range of instruments as well as LAMDA Speech and Drama awards. The school's choirs (Cadence and Cantoria) were well respected with many pupils choosing to take part in a wide programme of music.

The school provided the opportunity for pupils to take part in numerous ensembles, chamber groups, acapella choirs and other groupings alongside the large choirs, orchestras, wind, and jazz bands, rehearsing, and performing on a regular basis during the year.

We staged ambitious musical and theatre productions providing an opportunity for pupils to take part in productions to appreciative and full audiences.

As a Duke of Edinburgh's Award Directly Licenced Centre, Duke of Edinburgh continued to be an extremely popular extra-curricular activity with students from participating in the Bronze, Silver and Gold Awards with support from staff and students.

Sport

The enormous range of sports offered at Abbots Bromley School reflected the importance given to sporting activity and physical education. Boys were an established part of the Preparatory School and Sixth Form and therefore the sporting offering had developed and included a number of mixed gender sporting activities. The school's membership of the Independent Schools' Association was providing an ever-growing number of sporting opportunities and competitions.

Wider Education

We provided opportunities for former pupils to come back to school to gain valuable work experience. We have also developed strong links with Keele University as one of their Senior Professors of Internationalisation is a member of our governing body, Prof Richard Luther.

Pupils also gained valuable experience through a range of trips and exchanges.

Woodard is involved in the development of academies as part of the government's initiative. In support of this project all Woodard schools have provided support, where asked, through provision of educational expertise, professional support with regard to educational policy and other matters.

ABBOTS BROMLEY SCHOOL LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31ST AUGUST 2018

Community

Through development of, and provision of access to new facilities, the school remained at the heart of the community. Facilities made open to the public included:

- The school swimming pool, which was made available to local swimming clubs and organised bodies as well as to local comprehensive schools (including the Village Swim Club and Parents and Toddlers sessions).
- The music and dance facilities which were made available to a wide range of local music societies.
- The sports pitches are recognised as being of high quality and are regularly used by local clubs for training.
- The sports hall was used annually for the expanded Winter Bazaar when local enterprises as well as school enterprises raised money for charity.
- The equestrian centre is open to other pony clubs and members of the local community and now has its own pony club accreditation.
- The Salvation Army and Burton Albion Community Hub made use of the boarding and sport facilities as part of their summer camps.

Outreach

We have good links with the community especially Abbots Bromley Sporting Association and Abbots Bromley Neighbourhood Development Scheme.

As well as this formal partnership, we also had an informal arrangement with the local primary school in the village and students attended dance performances and used facilities from time to time.

Charitable Activities

The major charity event was the SASP (South African Schools Project) and annually we sent two Sixth Form students to work in the school that we supported in South Africa.

Students raised funds regularly for Red Nose Day, Jeans for Genes Day, Children in Need, Macmillan Cancer Research, Race for Life and local charities.

Fundraising Performance

Significant progress was made in 2017-18 in fundraising and the on-going work of raising voluntary funding for the school. Grants and donations totalled £3.1m (2017: £0.2m), including two large unrestricted income donations: £2.2m from an individual benefactor (2017: nil) and £0.8m from The Guild of S. Mary and S. Anne (2017: £0.2m).

Investment Performance against Objectives

Investments in quoted securities are limited to the restricted and endowed funds. These are managed through Woodard whose investment policy is to preserve the capital value of investments and maximise the return and income on all investments. These are currently managed by UBS Wealth Management (UK) Limited. None of the directors has any beneficial interest in that company.

ABBOTS BROMLEY SCHOOL ENTERPRISES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

FINANCIAL REVIEW

Results for the Year

Income and Expenditure	2017/2018 £	2016/2017 £
Gross incoming resources	6,793,475	3,327,497
Cost of generating income	(472,548)	(434,644)
Net incoming resources	<u>6,320,927</u>	<u>2,892,853</u>
<i>Expenditure on:</i>		
Staff costs	2,552,192	2,752,348
Support costs	1,839,874	1,496,080
Total expenditure	<u>4,392,066</u>	<u>4,248,428</u>
Operating surplus / (loss)	<u>1,928,862</u>	<u>(1,355,575)</u>
<i>Reconciliation to SoFA:</i>		
Operating surplus / (loss)	1,928,862	(1,355,575)
Depreciation	(239,563)	(229,637)
Gains on investments	1,300	22,918
Net surplus / (loss)	<u>1,690,599</u>	<u>(1,562,294)</u>

The net incoming resources for the year amounted to £6,320,927 (2017: £2,892,853) and the operating surplus on school activities was £1,928,862 (2017: loss of £1,355,575). Included in gross incoming resources are two large donations: an individual benefactor donated £2.2 m (including Gift Aid) and the Guild of S. Mary and S. Anne £0.8m (2017: £0.2m).

This overall surplus was achieved with a rise in fees lower than inflation and against a background of strongly rising operating costs. Net fee income for the year was up by some 19% on 2016-17 (£2.6m in 2016-17 to £3.1m in 2017-18), reflecting the increase in pupil numbers from 221 in 2016-17 to 247 in 2017-18.

The school was helped considerably each year by the support of the Guild of S. Mary and S. Anne charity, which provided £60,000 (2017: £50,000) in grants (scholarships) for 7 pupils.

The trading company continued to hire out Abbots Bromley School's facilities during vacations and outside school hours, as well as undertaking commercial activity on behalf of the school and externally. In March 2017 we entered into a service level agreement for school lettings management with a company named 'School Lettings Solutions'. Because of their marketing efforts, we increased the residential lettings revenue over the summer period significantly. The trading company made a trading loss of £(4,046) (2017: profit of £19,882).

Parents of pupils at the school often make significant sacrifices to pay the fees. In educating over 180 UK based pupils, parents help to relieve the state of the financial burden of paying for their children's education. The saving to the public purse is estimated to have a value in the last year of £1.2m.

The school is unable to recover the VAT on purchases it makes. During the year, Abbots Bromley School paid an estimated £253.8k (2017: £223.0k) in VAT on goods and services.

In addition to the very substantial benefits the school brought to its pupils, and to the local community and society through the education we offered, the bursary programme created a social asset without cost to the Exchequer.

Abbots Bromley School provides a pension to some staff under the terms of the TPT Retirement Solutions Growth Plan. As a result of this pension scheme being underfunded, Abbots Bromley School is committed

ABBOTS BROMLEY SCHOOL ENTERPRISES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

to contributing to a recovery plan. During the course of the year Abbots Bromley School made contributions to the recovery plan of £24,971 and the recognised liability under the plan reduced by £25,971, with this value being recognised in the Statement of Financial Activities. Further details can be found in note 31.

Reserves Level and Policy, and Financial Viability

It has been the school's policy to utilise funds to ensure that high quality up-to-date facilities are provided for the benefit of pupils. The aim was to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the school without the requirement to have recourse to sales of tangible fixed assets, or use of the school's readily realisable investments supporting unrestricted funds. Unrestricted (negative) funds increased by £1,742,477 to total (£2,508,097), as shown in note 27. The school aimed to make an overall surplus of 5% to build up to the target for free reserves.

The governors invested substantial sums into upgrading the school buildings in recent years and had a continuing programme of refurbishment, development, and investment to maintain excellent teaching facilities for pupils. In common with most independent schools, and due to the having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in the school. The school has negative free reserves of (£4,948,309) (2016: negative (£6,839,125)) at the year-end (note 27). The school's financial viability does not depend on income reserves but in its ability to continue to trade at a surplus on an annual basis, and on the substantial portfolio of fixed assets held for operational use.

The company's unrestricted reserves are primarily invested in tangible fixed assets which are all used for its direct charitable activities.

PRINCIPAL RISKS AND UNCERTAINTIES

The governors considered the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school. The governing body re-aligned the fee structure for 2017-18. Allied to this strategic imperative was the risk that cash flow will be insufficient to allow the school to operate successfully.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the school was impressive and the risks associated with all activities were minimised by thorough planning and risk assessment.

The governing body is responsible for the identification and management of risks. The major risks, to which the charity is exposed, as identified by the directors, have been reviewed and systems or procedures have been established to manage those risks. A formal review of the risk management processes is undertaken annually.

The principal risks to which the school was exposed, in the view of the governing body at 31st August 2018, included those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas:

- the market in which the school operated is highly competitive and the school monitored developments in education to ensure that pupils always received a first class, holistic and varied educational experience in the school
- we strive to ensure that all staff are able to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the school meets expectations
- the school operated in a highly regulated sector, including in matters of child protection, and appropriate professional advisers were appointed to ensure that the school could keep up to date with all requirements; school or individual membership of bodies being the constituent associations of the Independent Schools Council also ensured that up to date information and support was available
- the school operated in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges
- all organisations face difficult economic conditions and directors and senior managers in the school keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues

ABBOTS BROMLEY SCHOOL ENTERPRISES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The key controls used by the governing body and school include:

- comprehensive strategic planning, financial forecasting, budgeting and management accounting
- formal agendas and minutes for all meetings of the governing body and committees
- terms of reference for all committees
- established and identifiable organisational structures and reporting lines which are regularly reviewed
- comprehensive formal written policies
- clear authorisation limits
- vetting procedures, as required by law, for protection of the vulnerable

The school plans strategically having regard for risk. The executive provided the governing body with regular reports including details of the principal strategic objectives and the activity to achieve those objectives. The school recorded significant achievements and updated the governing body and Woodard on short-term plans.

The strategy was discussed between the governing body and the Woodard Board and protocols have been developed and agreed which outline the relationship between the two bodies.

Financial risk management objectives and policies

The school uses financial instruments, other than derivatives, comprising loans, cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The main issues arising from the group's financial instruments are liquidity risk and interest rate risk. The school's directors adopt policies for managing each of the risks and these are summarised below:

- Liquidity risk – the school seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities from banks and other lenders, and partaking in pooled banking organised via Woodard.
- Interest rate risk – the school finances operations through a mixture of retained surpluses and bank and other borrowings. The exposure to interest rate fluctuations is managed by the use of both fixed and floating facilities.

GOING CONCERN

As noted at the start of this report, the Woodard Corporation has agreed to provide sufficient financial assistance to the Abbots Bromley School Limited company to allow for the orderly closure of the school and repayment of contractual liabilities.

After review of evidence, the Abbots Bromley School governing body has a reasonable expectation that the company will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis. Further details related to the adoption of the going concern basis can be found in the accounting policies on page 22.

FUTURE PLANS

The governing body's most recent five-year strategic plan was approved in the spring of 2015. The key objectives of the plan were:

1. To establish new markets for the school by undertaking specific research, so that pupil numbers can be increased to be consistently above 250 year on year.
2. At all times, to align the staffing so that we are efficient in delivery of education and to ensure that we do not have classes which are not full.
3. To establish consistent and continuous policies on a range of matters (personnel, concessions, discipline, quality, educational standards, ethos, etc.) between the senior and junior schools over the next two years. Policies are developed by management and reviewed by the school council.
4. To establish and embed into common usage reliable measures for educational 'added value' and ensure that we improve the overall performance for each of the next three years (prior to further review of new targets) by implementing a system of peer review and internal inspections.

ABBOTS BROMLEY SCHOOL ENTERPRISES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

5. To establish links with a further 5 community organisations by the end of the academic year to August 2018 through networks established by the principal and governors.
6. To achieve a 30:70 split of girls to boys over the next two years and to maintain the level of boarding above 40% of the total pupils always by better management of the registry.
7. To widen access to the schools still further through the provision of means-tested bursaries equivalent to 200 full-fee-paying places by establishing a larger budget and improving management of awards.
8. To continue to build links with local junior schools in both the state and independent sectors by arranging a series of open days for staff and pupils and providing support for their activities.
9. To continue to build and encourage community access for educational purposes to the school's facilities.

DIRECTORS

The directors who served during the year, and the committees of which they were members, are:

Mrs P A Norvall (Chairman)	Attends sub-committees as required
Mr R Mansell (Deputy Chairman)	Audit, Estates, Finance & General Purposes, Marketing and Strategy
Mr S Bourne	Audit, Finance & General Purposes and Strategy
The Reverend S C Davis	Strategy
Mrs H M Graham	Finance & General Purposes, Marketing and Strategy
Mr S James	Estates, Finance & General Purposes, Health & Safety and Strategy
Mr R H Knight	Finance & General Purposes and Strategy
Professor Doctor K R Luther	Education and Strategy
Mr I Whyte	Education and Strategy

None of the directors has any beneficial interest in the company. Abbots Bromley School buys trustees and officers insurance on behalf of the directors.

AUDITORS

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and group will continue in business.

ABBOTS BROMLEY SCHOOL ENTERPRISES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors of Abbots Bromley School Limited on 10th January 2020, including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:



Mr S R James LLB Hons
10th January 2020

Director

ABBOTS BROMLEY SCHOOL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBOTS BROMLEY SCHOOL LIMITED YEAR ENDED 31ST AUGUST 2018

Qualified Opinion

We have audited the financial statements of Abbots Bromley School Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2018, which comprise the Consolidated and Charitable Company Statement of Financial Activities, the Consolidated and Charitable Company Balance Sheets and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 August 2018 and of the group's incoming resources and application of resources, including the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Act 2011.

Basis for qualified opinion

Due to changes in management and closure of the School since the year end, management have been unable to provide us with sufficient appropriate audit evidence to support various transactions and balances in the financial statements. In particular, we were not provided with adequate supporting documentation for material transactions recognised as deductions from income arising from scholarships and bursaries which are included in school fees receivable and other income recognised as turnover for the year ended 31 August 2018 and balances in respect of trade debtors included within debtors, and fees in advance recognised as deferred income included within creditors at 31 August 2018. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Directors' Report (incorporating the Strategic Report) set out on pages 1 to 15, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so,

ABBOTS BROMLEY SCHOOL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBOTS BROMLEY SCHOOL LIMITED YEAR ENDED 31ST AUGUST 2018

consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

Except for the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report, prepared for the purpose of company law, included in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Report.

Matters on which we are required to report by exception

In respect solely to the issue described in the basis for qualified opinion section of our report:

- the parent charitable company's financial statements are not in agreement with the accounting records and returns;

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Directors' Responsibilities Statement set out on pages 14 to 15 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on

ABBOTS BROMLEY SCHOOL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBOTS BROMLEY SCHOOL LIMITED YEAR ENDED 31ST AUGUST 2018

the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Gareth Norris FCA (Senior Statutory Auditor)
For and on behalf of Grant Thornton UK LLP,
Statutory Auditor
Chartered Accountants
Milton Keynes
Date: **13 JANUARY 2020**

ABBOTS BROMLEY SCHOOL LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2018 £	Total 2017 £
Incoming resources						
Charitable Activities						
School fees receivable	2	3,100,211	-	-	3,100,211	2,569,130
Government and Local Authority grants	3	-	27,198	-	27,198	33,086
Ancillary trading income	4	371,563	-	-	371,563	434,460
Other trading activities						
Non-ancillary trading income	5	34,262	-	-	34,262	69,442
Investments						
Investment income	6	6	2,503	1,190	3,699	13,342
Bank and other interest	7	197	-	-	197	56
Voluntary sources						
Grants and donations	8	1,250,115	1,850,468	-	3,100,583	207,981
Other incoming resources	9	155,763	-	-	155,763	-
Total incoming resources		4,912,117	1,880,169	1,190	6,793,475	3,327,497
Expenditure on:						
Raising funds	10					
Ancillary trading expenditure		195,466	-	-	195,466	122,474
Non-ancillary trading expenditure		26,386	-	-	26,386	45,640
Financing costs	11	250,064	-	-	250,064	263,172
Investment expenditure		-	429	203	632	3,358
Total deductible costs		471,916	429	203	472,548	434,644
Charitable activities						
Education and grant making	10	4,603,237	27,200	1,190	4,631,629	4,478,065
Total expenditure		5,075,152	27,629	1,393	5,104,177	4,912,709
Net gains / (losses) on investment assets	16	-	1,578	(278)	1,300	22,918
Net income / (expenditure)		(163,036)	1,854,117	(481)	1,690,599	(1,562,294)
Transfer between funds		1,905,515	(1,904,995)	(520)	-	-
Net movement in funds for the year		1,742,479	(50,878)	(1,001)	1,690,599	(1,562,294)
Fund balances as at 1st September		(4,250,574)	169,204	35,870	(4,045,500)	(2,483,206)
Fund balances as at 31st August		(2,508,095)	118,326	34,869	(2,354,901)	(4,045,500)

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 22 to 46 form part of these financial statements.

ABBOTS BROMLEY SCHOOL LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31ST AUGUST 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2018 £	Total 2017 £
Incoming resources						
Charitable Activities						
School fees receivable	2	3,100,211	-	-	3,100,211	2,569,130
Government and Local Authority grants	3	-	27,198	-	27,198	33,086
Ancillary trading income	4	371,563	-	-	371,563	434,460
Other trading activities						
Non-ancillary trading income	5	11,935	-	-	11,935	3,920
Investments						
Investment income	6	6	2,503	1,190	3,699	13,342
Bank and other interest	7	184	-	-	184	56
Voluntary sources						
Grants and donations	8	1,250,115	1,850,468	-	3,100,583	207,981
Other incoming resources	9	155,763	-	-	155,763	-
Total incoming resources		4,889,777	1,880,169	1,190	6,771,136	3,261,975
Expenditure on:						
Raising funds	10					
Ancillary trading expenditure		195,466	-	-	195,466	122,474
Financing costs	11	250,064	-	-	250,064	263,172
Investment expenditure		-	429	203	632	3,358
Total deductible costs		445,529	429	203	446,162	389,004
Charitable activities						
Education and grant making	10	4,603,238	27,198	1,190	4,631,628	4,478,065
Total expenditure		5,048,768	27,628	1,393	5,077,790	4,867,069
Net gains / (losses) on investment assets	16	-	1,578	(278)	1,300	22,918
Net income / (expenditure)		(158,990)	1,854,118	(481)	1,694,646	(1,582,176)
Transfer between funds		1,905,515	(1,904,995)	(520)	-	-
Net movement in funds for the year		1,746,525	(50,877)	(1,001)	1,694,646	(1,582,176)
Fund balances as at 1st September 2017		(4,250,531)	169,204	35,870	(4,045,457)	(2,463,281)
Fund balances as at 31st August 2018		(2,504,006)	118,327	34,869	(2,350,811)	(4,045,457)

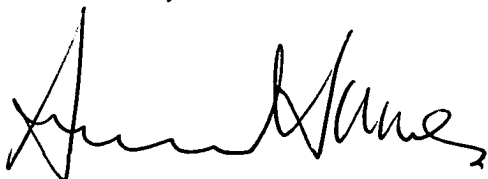
All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 22 to 46 form part of these financial statements.

ABBOTS BROMLEY SCHOOL LIMITED

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31ST AUGUST 2018

	Note	Group 2018 £	2017 £	Charity 2018 £	2017 £
FIXED ASSETS					
Tangible assets	15	2,311,414	2,461,053	2,311,414	2,461,053
Securities Investments	16	128,898	127,598	128,998	127,698
		<u>2,440,312</u>	<u>2,588,651</u>	<u>2,440,412</u>	<u>2,588,751</u>
CURRENT ASSETS					
Stock	17	11,678	20,225	11,678	20,225
Debtors	18	323,509	227,090	325,724	233,600
Cash at bank and in hand	19	11,347	81,559	10,063	69,170
		<u>346,535</u>	<u>328,874</u>	<u>347,465</u>	<u>322,995</u>
CURRENT LIABILITIES					
Creditors payable within one year	20	(2,953,862)	(4,474,713)	(2,950,802)	(4,468,891)
NET CURRENT ASSETS		<u>(2,607,327)</u>	<u>(4,145,839)</u>	<u>(2,603,337)</u>	<u>(4,145,896)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(167,015)	(1,557,188)	(162,925)	(1,557,145)
LONG TERM LIABILITIES					
Creditors payable after one year	21	(2,000,000)	(2,274,455)	(2,000,000)	(2,274,455)
Provisions for liabilities	31	(187,786)	(213,757)	(187,786)	(213,757)
NET ASSETS		<u>(2,354,801)</u>	<u>(4,045,400)</u>	<u>(2,350,711)</u>	<u>(4,045,357)</u>
REPRESENTED BY:					
CALLED UP SHARE CAPITAL	26	100	100	100	100
ENDOWED FUNDS	27	34,869	35,870	34,869	35,870
RESTRICTED FUNDS	27	118,327	169,204	118,327	169,204
UNRESTRICTED FUNDS					
Designated fund	27	1,244	4,972	1,244	4,972
General Reserves	27	(2,509,341)	(4,255,546)	(2,505,251)	(4,255,503)
		<u>(2,354,801)</u>	<u>(4,045,400)</u>	<u>(2,350,711)</u>	<u>(4,045,357)</u>

The financial statements were approved and authorised for issue by the Board on 10th January 2020 and signed on its behalf by



S R James LLB Hons
Company registration number 1103321
10th January 2020

Director

The notes on pages 22 to 46 form part of these financial statements.

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

a) Basis of Accounting

The accounts of the group have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK Accounting Standards. They are drawn up on the historical cost accounting basis except that property and share investments held as fixed assets are carried at fair value.

Abbots Bromley School meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in note 37, and in the accounting policies for depreciation of fixed assets, for pensions and for bad debts. The financial statements are presented in sterling (£) and the functional currency is sterling (£).

b) Going Concern

The accounts have been prepared on a going concern basis. The Abbots Bromley Board reviews the financial information for the company and the group, and considers whether the group and company are a going concern for a period of at least 12 months from the date of approval of the accounts.

As described in the director's report, at a meeting in late February 2019 the directors of Abbots Bromley School Limited took the regrettable decision that, barring a significant change in circumstances, the company would cease trading as a school as from the end of the Summer Term, and trading operations finished as at 31st August 2019.

In the period since December 2018, the school has entered into a series of new loan agreements with Woodard for provision of financial support. This funding was initially provided to support school operations, and after the cessation announcement further funds have been provided to allow for the orderly closure of school operations.

With the continuing support of the Woodard Corporation the Abbots Bromley School Limited company will remain open allowing for an orderly closure of the school and repayment of contractual liabilities.

Considering the above factors, the Abbots Bromley Board do not consider that there are any material going concern uncertainties for the group as a whole for a period of at least twelve months from the date of signing the accounts. The Abbots Bromley Board has prepared and approved these financial statements on the going concern basis.

c) Group Accounts

The financial statements consolidate the financial statements of the company, and all its subsidiary companies, charitable trusts and funds with all inter-company balances being eliminated. Entities are consolidated where Abbots Bromley School exercises overall control either through ownership of shares, or through having common trustees with a common objective. Accounting policies are consistently applied between group companies.

d) School Fees Receivable and Similar Income

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

received in advance of education to be provided in future years under a specific contract. The fees are held within the unrestricted reserves of the school. Any surplus of assets over liabilities is held within the fund as a buffer. Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

e) **Ancillary and Non-Ancillary Trading Income**

Ancillary trading income represents amounts from activities to generate funds within the charitable objects, for example school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the Statement of Financial Activities when the goods are sold or services provided.

f) **Voluntary sources, Grants and Donations**

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention to be permanent or not. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the school in case of donated services or facilities.

g) **Expenditure**

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy. The cost of refurbishing and converting existing buildings is written-off in the year in which it is incurred except where the useful life has been extended.

h) **Finance and Other Costs**

Other costs include amounts accrued in accordance with the terms of Fees in Advance Scheme Contracts.

i) **Pension Costs**

The school company participates in the Teachers' Pensions scheme, which is an unfunded government scheme, and TPT Retirement Solutions scheme, both of which provide benefits based on final pensionable pay. The funds of the schemes are separate from the company, although the company's share of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for as defined contribution schemes.

The company offers membership of the TPT Retirement Solutions Growth Plan to employees other than the full-time academic staff. The TPT Retirement Solutions Growth Plan is a multi-employer pension scheme where the scheme assets are pooled for investment purposes and cannot be attributed to individual employers. Benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the company, though, due to the guarantees inherent in the scheme, the companies remain potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard (FRS) 102 (section 28) therefore, the scheme is accounted for in a fashion which is similar to a defined contribution scheme.

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as finance cost in the period in which it arises. More detail is given in notes 31 and 34.

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

j) Tangible Fixed Assets and Depreciation

In accordance with Section 35.10 (d) of FRS102, Abbots Bromley School has elected to use the carrying value of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost at the date of transition to FRS102, 1 September 2014.

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £2,500 are capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete. Where appropriate cost includes our own labour costs in relation to construction, and directly attributable overheads.

Where tangible fixed assets have been acquired with the aid of specific grants they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset based on current market prices, over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings	- Variable per the building and written off over the expected useful life (see note below)
Plant and equipment	- 10% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost
Motor vehicles	- 25% on cost
Under construction	- Not to be depreciated until brought in to operation

The company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. The company undertakes an annual review of all buildings assessing their useful economic life. In some cases the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years. The buildings are capitalised in the financial statements at historic cost. Where the calculated depreciation charge is a material figure, it is charged in these financial statements but, where the carrying value is not more than the estimated recoverable amount and the depreciation on the building is not material to these financial statements, it has been assessed, but not charged on the basis that it is not material. The directors will continue to carry out annual assessments of the recoverable amount and the estimated useful life of all buildings and where the depreciation is a material value, it will be charged. The review is based on the directors' assessments of the market value and the future economic benefit derived from an asset versus its carrying value in the financial statements.

When the company undertakes a significant refurbishment project that will have an economic benefit, the cost of the refurbishment is capitalised, recorded separately under 'Freehold Improvements', its useful life is estimated and it is depreciated over that useful life.

Abbots Bromley School exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

k) Financial Instruments

Abbots Bromley School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

l) Securities and Fees in Advance Investments

Securities and Fees in Advance investments are carried at fair value, which is deemed to be market value as at the balance sheet date.

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets. Realised gains and losses are the difference between sales proceeds and opening market value where the investment was held at the beginning of the year, or sales proceeds less cost of purchase where the investment was acquired in the year. The revaluation reserve reflects the accumulated total of unrealised gains and losses. Un-invested cash is the balance of liquid cash, held as an investment, which has not been invested in securities.

m) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

n) **Leasing Commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the Statement of Financial Activities over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

o) **Fund Accounts**

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity. Endowment funds are further sub-divided into permanent and expendable, where required by the terms of the trust.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

p) **Taxation**

Abbots Bromley School is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

The school has a subsidiary company that is subject to taxes including corporation tax and VAT in the same way as any commercial organisation. The tax charged to the profit and loss account is based on the subsidiary company's profit for the year and takes into account tax arising because of timing differences between the treatments of certain items for tax and accounting purposes. The subsidiary company distributes the majority of its profits to Abbots Bromley School under Gift Aid and tax liabilities are kept to a minimum.

q) **Cash flow statement**

The cash flows of Abbots Bromley School Limited are included in the consolidated cash flow statement of The Woodard Corporation. Abbots Bromley School Limited is exempt under the terms of Section 1 of FRS 102 from publishing a cash flow statement.

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

2 Charitable activities - school fees receivable

	Unrestricted £	Restricted £	Endow ed £	Total 2018 £	Total 2017 £
The school fees income comprises					
Gross fees	4,333,089	0	0	4,333,089	3,718,985
Less: total scholarships, bursaries, etc.	(1,232,878)	0	0	(1,232,878)	(1,149,855)
	<u>3,100,211</u>	<u>0</u>	<u>0</u>	<u>3,100,211</u>	<u>2,569,130</u>

Scholarships, bursaries and other awards were paid to 183 pupils (2017: 157 pupils). Within this, means-tested bursaries totalling £159,908 were paid to 39 pupils (2016: £92,706 to 23 pupils).

Scholarships & exhibitions	17%
Bursaries - Clergy & Hardship as percentage of gross fees	4%

3 Government and Local Authority grants

	Unrestricted £	Restricted £	Endow ed £	Total 2018 £	Total 2017 £
Early Years funding	0	17,934	0	17,934	17,918
Special Educational Needs	0	9,264	0	9,264	15,168
	<u>0</u>	<u>27,198</u>	<u>0</u>	<u>27,198</u>	<u>33,086</u>

4 Charitable activities - ancillary trading income

	Unrestricted £	Restricted £	Endow ed £	Total 2018 £	Total 2017 £
Entrance fees and registrations	12,300	0	0	12,300	8,003
Equestrian centre	33,954	0	0	33,954	45,308
Extras	270,373	0	0	270,373	309,744
Fees in lieu of notice	6,602	0	0	6,602	14,142
Pupil transport	45,651	0	0	45,651	42,647
Sundry other income	2,683	0	0	2,683	14,616
	<u>371,563</u>	<u>0</u>	<u>0</u>	<u>371,563</u>	<u>434,460</u>

5 Non-ancillary trading income

	Unrestricted £	Restricted £	Endow ed £	Total 2018 £	Total 2017 £
Abbots Bromley Enterprises Company Limited	22,327	0	0	22,327	65,522
Ground rent	11,935	0	0	11,935	3,920
	<u>34,262</u>	<u>0</u>	<u>0</u>	<u>34,262</u>	<u>69,442</u>

6 Investments - investment income

	Unrestricted £	Restricted £	Endow ed £	Total 2018 £	Total 2017 £
Securities investment income					
Equities	0	2,258	990	3,248	11,044
Fixed interest	6	245	200	451	2,298
	<u>6</u>	<u>2,503</u>	<u>1,190</u>	<u>3,699</u>	<u>13,342</u>

7 Investments - bank and other interest receivable

Group	Unrestricted £	Restricted £	Endow ed £	Total 2018 £	Total 2017 £
Bank interest	<u>197</u>	<u>0</u>	<u>0</u>	<u>197</u>	<u>56</u>
Company					
Bank interest	<u>184</u>	<u>0</u>	<u>0</u>	<u>184</u>	<u>56</u>

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

8 Voluntary sources - grants and donations

	Unrestricted £	Restricted £	Endow ed £	Total 2018 £	Total 2017 £
Guild of S. Mary and S. Anne	836,000	0	0	836,000	200,000
Lady Marina Hobson (including Gift Aid claim) *	399,532	1,850,468	0	2,250,000	0
Other donations	14,583	0	0	14,583	7,981
	<u>1,250,115</u>	<u>1,850,468</u>	<u>0</u>	<u>3,100,583</u>	<u>207,981</u>

* The benefactor restricted the larger part of her donation (£1.85m) to repay the outstanding loan from the Woodard Corporation. The loan plus accumulated interest, totalling £1,850,468 w as repaid on 23 May 2018.

9 Other incoming resources

	Unrestricted £	Restricted £	Endow ed £	Total 2018 £	Total 2017 £
Deposits non-refundable	<u>155,763</u>	<u>0</u>	<u>0</u>	<u>155,763</u>	<u>0</u>

10 Analysis of expenditure

a) Total expenditure

	Staff costs (note 12) £	Depreciation (note 15) £	Support Costs £	Total 2018 £	Total 2017 £
Costs of raising funds					
Ancillary trading expenditure	0	0	195,466	195,466	122,474
Non-ancillary trading expenditure	0	0	26,386	26,386	45,640
Financing costs	0	0	250,064	250,064	263,172
Investment expenditure	0	0	632	632	3,358
Total cost of generating funds	<u>0</u>	<u>0</u>	<u>472,548</u>	<u>472,548</u>	<u>434,644</u>
Charitable expenditure					
<i>Education and grant making</i>					
Teaching	1,799,400	12,300	375,535	2,187,234	2,065,210
Welfare	266,298	260	634,081	900,639	919,378
Premises	192,400	227,003	388,010	807,413	917,861
School administration and governance (note 10c)	294,095	0	377,199	671,294	514,931
Grants awards and prizes (note 10b)	0	0	1,190	1,190	1,374
Movement in pension recovery plan (note 32)	0	0	(3,000)	(3,000)	(1,000)
	<u>2,552,192</u>	<u>239,563</u>	<u>1,773,014</u>	<u>4,564,769</u>	<u>4,417,754</u>
Governance costs	0	0	66,859	66,859	60,311
Total costs of education and grant making	<u>2,552,192</u>	<u>239,563</u>	<u>1,839,874</u>	<u>4,631,629</u>	<u>4,478,065</u>
Total expenditure	<u>2,552,192</u>	<u>239,563</u>	<u>2,312,422</u>	<u>5,104,177</u>	<u>4,912,709</u>

b) Grants awards and prizes

Abbots Bromley School makes aw ards to individual families to support schooling.

	Unrestricted £	Restricted £	Endow ed £	Total 2018 £	Total 2017 £
From endowed funds					
Grants and prizes paid	<u>0</u>	<u>0</u>	<u>1,190</u>	<u>1,190</u>	<u>1,374</u>

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

c) Total resources expended include:

Abbots Bromley School Limited reimburses governors for out of pocket expenses including travel subsistence and accommodation, where a claim is made. One director was reimbursed during the year (2017: none).

	Unrestricted £	Restricted £	Endowed £	Total 2018 £	Total 2017 £
Auditors' remuneration - audit fees	25,379	0	0	25,379	26,530
Auditors' remuneration - non-audit fees	0	0	0	0	900
Depreciation of tangible fixed assets:					
- owned by the Charitable Company	235,513	0	0	235,513	225,587
- held under finance leases	4,050	0	0	4,050	4,050
Operating lease rentals:					
- other assets					
Cost of stock recognised as an expense					
Reimbursement of governors expenses	221	0	0	221	0

11 Financing costs

	Unrestricted £	Restricted £	Endowed £	Total 2018 £	Total 2017 £
Interest payable - bank overdraft	13,909	0	0	13,909	3,132
Interest payable - Woodard Corporation	54,711	0	0	54,711	72,474
Interest payable - APB Group Limited	99,562	0	0	99,562	88,233
Interest payable - Lloyds Bank plc	17,084	0	0	17,084	21,691
Interest payable - financial lease	217	0	0	217	181
Interest payable - HM Revenue & Customs	394	0	0	394	0
Interest payable - Teachers' Pensions Scheme	85	0	0	85	0
Bank charges	3,966	0	0	3,966	7,083
Debt Collection Fees	0	0	0	0	1,512
Provision for bad and doubtful debt	58,136	0	0	58,136	66,866
Pension scheme financing cost	2,000	0	0	2,000	2,000
	<u>250,064</u>	<u>0</u>	<u>0</u>	<u>250,064</u>	<u>263,172</u>

12 Staff costs

	2018 £	2017 £
The aggregate payroll costs for the year were:		
Wages and salaries	2,037,291	2,072,142
Social security costs	185,552	180,386
Other pension costs	205,167	202,999
	<u>2,428,010</u>	<u>2,455,527</u>
Redundancies / Settlement agreements	11,500	95,443
Agency staff / contractors	112,682	89,905
	<u>2,552,192</u>	<u>2,640,875</u>

Included in staff costs are redundancy or termination payments totalling £11,500 (2017: £95,443). The amount outstanding at the year-end was £11,500 (2017: £55,000)

The Headmaster and Bursar are classed by the school as being the key management personnel.

None of the governors received remuneration or other benefits from Abbots Bromley School or from any connected body.

	2018 £	2017 £
Aggregate employee benefits of key management personnel	<u>145,934</u>	<u>94,823</u>

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

12 Staff costs (continued)

The number of higher paid employees whose emoluments were £60,000 or more was:

	2018 No.	2017 No.
£70,001 - £80,000	1	1

	2018 £	2017 £
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The number with retirement benefits accruing:
- in Defined Contribution scheme was 1 (2017: 1).

Of which the contributions amounted to	13,184	4,651
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- in Defined Benefit schemes was nil.

Of which the contributions amounted to	0	0
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The average number of employees during the year calculated on a head count basis was 93 (2017: 101)

	2018 No.	2017 No.
Teaching	52	51
Welfare	15	18
Premises	12	22
Support	14	10
	<u>93</u>	<u>101</u>

13 Directors

None of the directors (or any persons connected with them) received any remuneration during the year. No scholarships were awarded to children of directors attending the school.

14 Taxation

Abbots Bromley School Limited meets the definition of a charitable company for UK corporation tax purposes. The school is potentially exempt from taxation in respect of income or capital gains to the extent that such income or capital gains are applied exclusively to charitable purposes. The charitable company owns the entire share capital of Abbots Bromley School Enterprises Limited and taxable profits arising in that company are donated to its parent under a Gift Aid arrangement.

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

15 Tangible fixed assets

Group and company	Freehold land and £	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Under Construction £	Total £
Cost							
At 1 September 2017	2,541,025	1,553,629	271,346	90,751	45,559	52,800	4,555,110
Additions	0	74,089	9,960	5,875	0	0	89,924
Disposals	0	0	0	0	(15,675)	0	(15,675)
At 31 August 2018	2,541,025	1,627,718	281,306	96,626	29,884	52,800	4,629,359
Depreciation							
At 1 September 2017	766,059	965,032	260,285	71,307	31,374	0	2,094,057
Charge for the year	58,925	153,831	7,800	12,300	6,707	0	239,563
Disposals	0	0	0	0	(15,675)	0	(15,675)
At 31 August 2018	824,984	1,118,863	268,085	83,607	22,406	0	2,317,945
Net book value							
At 31 August 2018	1,716,041	508,855	13,221	13,019	7,478	52,800	2,311,414
Net book value							
At 31 August 2017	1,774,966	588,597	11,061	19,444	14,185	52,800	2,461,053

All assets are used for charitable purposes.

Finance leases and hire purchase contracts

Included in motor vehicles is an asset held under finance lease which has net book value of £6,075 (2017: £10,125). Depreciation of £4,050 (2017: £4,050) was charged during the year.

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

16 Securities investments

	Unrestricted £	Restricted £	Endowed £	Total 2018 £	Total 2017 £
Group investments					
At 1 September 2017	0	87,333	40,265	127,598	494,671
New money invested	0	0	0	0	0
Reinvested income	0	0	0	0	0
Amounts extracted	0	0	0	0	(389,991)
Investment management fees	0	0	0	0	0
Realised gains / (losses) on investments	0	0	0	0	12,926
Unrealised gains on investments	0	1,578	(278)	1,300	9,992
Uninvested cash	0	0	0	0	0
Group investments at 31 August 2018	0	88,911	39,987	128,898	127,598
Investments in subsidiaries	100	0	0	100	100
Company investments at 31 August 2018	100	88,911	39,987	128,998	127,698
Investments comprise:					
<i>Listed investments</i>					
UK Fixed Interest	0	5,544	18,371	23,915	13,404
UK Equity	0	83,367	21,616	104,983	114,194
<i>Unlisted investments</i>					
Land and buildings	0	0	0	0	0
Non UK Equity	0	0	0	0	0
UK Cash	0	0	0	0	0
Group investments at 31 August 2018	0	88,911	39,987	128,898	127,598
Investments in subsidiaries	100	0	0	100	100
Company investments at 31 August 2018	100	88,911	39,987	128,998	127,698

Abbots Bromley School Limited owns all of the share capital of Abbots Bromley School Enterprises Limited, a company incorporated in England and Wales. Further details are provided in note 32.

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets and deposits.

The main Securities Investments and Fees in Advance Scheme Investments deposits are managed for Abbots Bromley School by UBS Wealth Management (UK) Limited. All investments are managed and held in the UK.

Holdings at the year-end comprising more than 5% of the total are:

	2018 £	2017 £
iShares GBP Corporate Bond	12,827	13,404
J O Hambro Cap Management UK Equity	72,525	71,092
Threadneedle Investment Fund ICVC UK	24,396	23,606
United Kingdom 4% Stock 07/03/2024	5,544	0
United Kingdom 4% Stock 07/03/2025	5,544	0
	120,836	108,102

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

17 Stock

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Heating Oil	11,678	14,925	11,678	14,925
Equestrian	0	5,300	0	5,300
	<u>11,678</u>	<u>20,225</u>	<u>11,678</u>	<u>20,225</u>

18 Debtors

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
School fees receivable	211,196	122,694	211,196	122,694
Trade debtors	6,190	5,860	0	0
VAT recoverable	0	45	0	0
Prepayments and accrued income	90,292	90,384	90,292	73,752
Other debtors	15,831	8,107	15,831	8,107
Amounts due from subsidiary company	0	0	8,404	29,047
	<u>323,509</u>	<u>227,090</u>	<u>325,724</u>	<u>233,600</u>

19 Cash at bank and in hand

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Amounts held by commercial banks	8,963	81,352	7,679	68,964
Petty cash	2,384	207	2,384	206
	<u>11,347</u>	<u>81,559</u>	<u>10,063</u>	<u>69,170</u>

20 Creditors: Amounts falling due within one year

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Overdraft	732,104	626,627	732,104	626,627
Bank loan	467,500	637,500	467,500	637,500
Net obligations under finance leases	1,667	3,333	1,667	3,333
Deposits from parents	435,467	190,112	435,467	190,112
Fees received in advance of term	235,712	226,595	235,712	226,595
Fees in Advance scheme	434,939	380,197	434,939	380,197
Trade creditors	276,715	359,641	276,715	358,717
Taxation and social security	48,675	59,633	48,675	59,633
VAT payable	60	0	0	0
Other creditors	38,104	37,812	38,104	35,854
Accruals	181,169	99,523	178,169	96,583
Deferred income	80,000	65,000	80,000	65,000
Amounts due to parent company	21,751	1,788,740	21,751	1,788,740
	<u>2,953,862</u>	<u>4,474,713</u>	<u>2,950,802</u>	<u>4,468,891</u>

Bank loans and overdrafts are secured by an unlimited all monies guarantee as part of an overdraft facility under a pooled banking arrangement organised by the Woodard Corporation. Woodard and two other subsidiaries subscribe to the pooled banking arrangement and overdraft facility with Lloyds TSB Bank plc, which has a gross limit of £2.75 million. As a result of this arrangement Woodard and the subscribers are able to obtain borrowings at a lower rate of interest.

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

20 Creditors: Amounts falling due within one year (continued)

Overdraft:

The agreement with Lloyds Bank plc is an overdraft facility of up to a maximum aggregate amount of £700k, the rate of interest on the loan is 2.5% per annum above the Bank of England's base rate.

Bank loan:

In September 2011 the school agreed a 10 year loan with Lloyds TSB Bank plc for the amount of £1.7 million secured against the school buildings.

Summary of movements in deferred income:

	Group and Company	
	2018	2017
	£	£
Balance at 1 September	65,000	0
Additional amounts	80,000	65,000
Amounts transferred to Statement of Financial Activities	(65,000)	0
Balance at 31 August	<u>80,000</u>	<u>65,000</u>

Deferred income arises due to sponsorships for pupils being paid in advance.

Amounts due to parent company:

On the 23rd May 2018 the loan, including the accumulated interest, totalling £1,850,468 was repaid to the Woodard Corporation.

	Group and Company	
	2018	2017
	£	£
Loan	0	1,525,000
Accumulated interest	0	270,756
Levy	24,269	5,154
Carbon Liability	10,478	0
Other costs	440	1,269
	<u>35,187</u>	<u>1,802,179</u>
Less:		
Staff costs	13,436	13,439
	<u>21,751</u>	<u>1,788,740</u>

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

21 Creditors: Amounts falling due after more than one year

	Group and Company	
	2018	2017
	£	£
Finance loan	1,000,000	1,000,000
Medium term credit	1,000,000	1,000,000
Net obligations under finance leases	0	1,667
Deposits received in advance	0	248,657
Fees in Advance scheme	0	24,131
	<u>2,000,000</u>	<u>2,274,455</u>

Finance loan

The school entered into an agreement with the APB Group for a loan facility of up to maximum aggregate amount of £1.0 million on the 18th June 2015. The school uses all amounts borrowed by it under the facilities to meet its cash flow. The rate of interest on each loan is 4.5% per annum above the Bank of England's base rate.

Medium-term credit

The school entered into an agreement with APB Group for a medium-term credit of up to maximum aggregate amount of £100k on the 4th August 2016, on the 10th August 2016, on 15th August 2016, on 21st October 2016, on 24th October 2016 and also on 26th October 2016 the school entered into further agreements with the APB Group for a loan facility of up to a maximum aggregate amount of £100k. The school also entered into an agreement with the APB Group for a medium-term credit of up to maximum aggregate amount of £200k on 26th November 2016 and on 9th December 2016 the school entered into a further agreement with the APB Group for a medium-term credit of up to a maximum aggregate amount of £200k. The school uses all amounts borrowed by it under the facilities to meet its cash flow. The rate of interest on each credit facility is 4.5% per annum above the Bank of England's base rate.

Deposits received in advance:

Repayable within 1 to 2 years	0	78,585
Repayable within 2 to 5 years	0	114,429
Repayable after 5 years	0	55,643
	<u>0</u>	<u>248,657</u>

The school's current view on deposits received in advance is that they all should be treated as amounts falling due within one year.

22 Bank loan

	Group and Company	
	2018	2017
	£	£
The bank loan is repayable in instalments		
Due within 2 to 5 years	0	0
Due within 1 to 2 years	0	0
	<u>0</u>	<u>0</u>
Due after more than one year		
Due within 1 year	467,500	637,500
	<u>467,500</u>	<u>637,500</u>

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

23 Fees in advance scheme

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. The money may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the school, fees in advance will be applied as follows:

	2018 £	2017 £
Within 2 to 5 years	0	10,750
Within 1 to 2 years	0	13,381
Due after more than one year	0	24,131
Within 1 year	434,939	380,197
	434,939	404,328
Summary of movements in liability	2018 £	2017 £
Balance at 1 September	404,328	346,757
New contracts	560,064	483,199
Repayments	0	(18,499)
Amounts used to pay fees	(529,453)	(407,129)
Balance at 31 August	434,939	404,328

24 Finance lease obligations

	2018 £	2017 £
Within 2 to 5 years	0	0
Within 1 to 2 years	0	1,667
	0	1,667
Within 1 year	1,667	3,333
	1,667	5,000

25 Commitments under operating lease

	2018 £	Other 2017 £
Expiry date:		
Within 1 year	117,826	13,850
Within 1 to 2 years	112,233	13,706
Within 2 to 5 years	211,327	8,113
After 5 years	61,488	0
	502,874	35,669

The future minimum commitments under non-cancellable operating leases are £583,040 (2017: £64,483).

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

26 Share capital

	2018 £	2017 £
Authorised		
100 Ordinary Shares of £1 each	100	100
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	100	100

27 Funds

Abbots Bromley School's funds are analysed under the following headings:

a) Endowed funds

Special endowment fund

The special endowment fund of the company include a number of individual trust and prize funds set up by donors as permanent capital. The income generated is restricted to funding scholarships, bursaries, grants and prizes.

The specific endowment fund is:

	2018 £	2017 £
Permanent endowments		
Prize fund	34,869	35,870
This fund comprises a number of gifts to provide prizes.		

b) Restricted funds

Benefit fund

The purpose of the benefit fund, which is held in Trust by Woodard Schools (Midland Division) Limited under a declaration of trust dated 22 March 1960 and amended rules dated 5 December 1975, is to assist former pupils either by contributing towards the school fees of their children or dependents or in such manner (being exclusively charitable) as the trustees consider for their benefit. The fund has been built up by voluntary contributions. The school council has the power to determine on behalf of the trustees which pupils shall receive benefit and the nature and extent of such benefit.

Scholarship fund

The scholarship fund is made up of the Bridgman Bequest and the Mary & Charlotte Lowe Exhibition. The purpose of the Bridgman Bequest, which was set up from the proceeds of the sale of certain books left to the school, is to fund expenditure of the school library. The Mary & Charlotte Lowe Exhibition is a bursary fund bequeathed in 1897, the beneficiary of which is to be a girl, whose parents are residents in Abbots Bromley.

	2018 £	2017 £
Benefit Fund	-	50,878
Bridgman Bequest	100,288	100,287
Mary & Charlotte Lowe Exhibition	3,217	3,217
	<u>103,505</u>	<u>154,382</u>

Minor funds

Minor funds represents grants and donations to provide prizes for the pupils at the school.

	2018 £	2017 £
Buckle Scholarship	5,022	5,022
Millington Memorial	5,341	5,341
Woods Prize	4,319	4,319
Saren Prize	140	140
	<u>14,822</u>	<u>14,822</u>

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

27 Funds (continued)

c) Unrestricted funds

Unrestricted funds represents accumulated income from the school's activities and other sources that are available for the general purposes of the school.

Designated fund is represented by:

	2018 £	2017 £
Appeal fund	1,244	1,244
Bursary fund	0	3,728
	<u>1,244</u>	<u>4,972</u>

Appeal fund

The Appeal Fund is designated for special projects.

Bursary fund

The purpose of the Bursary Fund, which was established from the Harden Legacy and the Brenda Bower St. Elphin's Trust, is to provide or contribute towards the provision of education at the school; scholarships, bursaries and prizes for pupils at the school; and in such other manner (being exclusively charitable) as the school council shall consider to be for the benefit of the school.

General reserve

Unrestricted funds are spent or applied at the discretion of the school council to further any of the charity's purposes.

General reserve is represented by:

	2018 £	2017 £
School's general reserve	(2,505,251)	(4,255,503)
Subsidiary's general reserve	(4,090)	(43)
	<u>(2,509,341)</u>	<u>(4,255,546)</u>

Free reserves

Free reserves are calculated as being the equity shareholders' funds per the balance sheet, less the endowed and restricted funds, less designated funds and less fixed assets held for charity use - this likely to be a negative figure.

	2018 £	2017 £
Equity shareholders' funds	(2,354,801)	(4,045,400)
Less:		
Endowed funds	34,869	35,870
Restricted funds	118,327	169,204
Less:		
Tangible assets	(2,311,414)	(2,461,053)
Investments	(128,898)	(127,598)
Free reserves	<u>(4,948,309)</u>	<u>(6,839,125)</u>

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2018

28 Analysis of net (liabilities) between funds to 31st August 2018

	Unrestricted £	Restricted £	Endow ed £	Total 2018 £
Tangible assets	2,311,414	0	0	2,311,414
Securities investments	0	88,911	39,987	128,898
Stocks	11,678	0	0	11,678
Debtors	317,563	4,300	1,647	323,509
Cash	(1,904,757)	1,919,407	(3,303)	11,347
Creditors payable w ithin one year	(1,056,110)	(1,894,291)	(3,461)	(2,953,862)
Creditors payable after one year	(2,000,000)	0	0	(2,000,000)
Provisions for liabilities	(187,786)	0	0	(187,786)
	(2,507,998)	118,327	34,870	(2,354,801)
Less: share capital	100	0	0	100
	(2,508,098)	118,327	34,870	(2,354,901)

Analysis of net (liabilities) betw een funds to 31st August 2017

	Unrestricted £	Restricted £	Endow ed £	Total 2017 £
Tangible assets	2,461,053	0	0	2,461,053
Securities investments	0	87,333	40,265	127,598
Stocks	20,225	0	0	20,225
Debtors	222,780	3,650	660	227,090
Cash	17,346	66,997	(2,784)	81,559
Creditors payable w ithin one year	(4,483,666)	11,224	(2,271)	(4,474,713)
Creditors payable after one year	(2,274,455)	0	0	(2,274,455)
Provisions for liabilities	(213,757)	0	0	(213,757)
	(4,250,474)	169,204	35,870	(4,045,400)
Less: share capital	100	0	0	100
	(4,250,574)	169,204	35,870	(4,045,500)

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

29 Summary of movements on major funds

	At 1 September 2017 £	Incoming resources £	Resources expended £	Transfers £	Gains / (losses) £	At 31 August 2018 £
Endowed - Permanent Prize Fund	35,870	1,190	(1,393)	(520)	(278)	34,869
Total endowment	<u>35,870</u>	<u>1,190</u>	<u>(1,393)</u>	<u>(520)</u>	<u>(278)</u>	<u>34,869</u>
Restricted funds						
Benefit Fund	50,878	34	0	(50,912)	0	0
Bridgeman Bequest	100,287	2,469	(431)	(3,465)	1,428	100,288
Mary & Charlotte Lowe Exhibition	3,217	0	0	(150)	150	3,217
Buckle Scholarship	5,022	0	0	0	0	5,022
Millington Memorial	5,341	0	0	0	0	5,341
Woods Prize	4,319	0	0	0	0	4,319
Saren Prize	140	0	0	0	0	140
Government and LA grants	0	27,198	(27,198)	0	0	0
Guild of S. Mary and S. Anne	0	1,850,468	0	(1,850,468)	0	0
Total restricted funds	<u>169,204</u>	<u>1,880,169</u>	<u>(27,629)</u>	<u>(1,904,995)</u>	<u>1,578</u>	<u>118,327</u>
Unrestricted funds						
Appeal Fund	1,244	0	0	0	0	1,244
Bursary Fund	3,728	6	0	(3,734)	0	0
General Reserve	(4,255,546)	4,912,111	(5,075,154)	1,909,249	0	(2,509,341)
Pension Reserve	0	0	0	0	0	0
Revaluation Reserve	0	0	0	0	0	0
Total unrestricted funds	<u>(4,250,574)</u>	<u>4,912,117</u>	<u>(5,075,154)</u>	<u>1,905,515</u>	<u>0</u>	<u>(2,508,097)</u>
Total funds	<u>(4,045,500)</u>	<u>6,793,476</u>	<u>(5,104,177)</u>	<u>0</u>	<u>1,300</u>	<u>(2,354,901)</u>

Note 27 provides details of the individual funds.

30 Capital commitments

At 31 August 2018, the group had capital commitments as follows:

	2018 £	2017 £
Expenditure contracted for but not provided in the accounts	<u>0</u>	<u>14,690</u>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

31 Pension Schemes

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £210,424 (2017: £211,231) and at the year-end nil (2017 - nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

31 Pension Schemes (continued)

TPT Retirement Solutions - The Growth Plan

The school participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the school to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for it as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the school is potentially liable for other participating employers' obligations if those employers are unable to meet their share of scheme deficits following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficits on an annuity purchase basis on withdrawal from the scheme.

TPT Retirement Solutions - The Growth Plan Deficit Contributions

A full actuarial valuation for the scheme was carried out at 30 September 2011. This actuarial valuation showed assets of £780m, liabilities of £928m and a deficit of £148m.

A further full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum	(payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum	(payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 30 September 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the employer has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

31 Pension Schemes (continued)

TPT Retirement Solutions - The Growth Plan (continued)

Present values of provision	31 August 2018 £'000	31 August 2017 £'000	31 August 2016 £'000
Present value of provision	188	214	237
Provisions for liabilities	188		
Check	0		
Reconciliation of opening and closing provisions		Period Ending 31 August 2018 £'000	Period Ending 31 August 2017 £'000
Provision at 1 September		214	237
Unwinding of the discount factor (interest expenses)		2	2
Deficit contribution paid		(25)	(24)
Remeasurements - impact of any change in assumptions		(3)	(1)
Remeasurements - amendments to the contribution schedule		0	0
Provision at 31 August		188	214
Pension service costs (60210)		(3)	1
Pension Scheme financing costs (69800)		2	0
Statement of Financial Activities		(1)	1
Check		0	0
Income and expenditure impact		Period Ending 31 August 2018 £'000	Period Ending 31 August 2017 £'000
Interest expense		2	2
Remeasurements - impact of any change in assumptions		(3)	(1)
Remeasurements - amendments to the contribution schedule		0	0
Contributions paid in respect of future service *		0	0
Costs recognised in income and expenditure account		0	0

* Includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

Assumptions	31 August 2018 % per annum	31 August 2017 % per annum	31 August 2016 % per annum
Rate of discount	1.68	1.20	1.08

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

31 Pension Schemes (continued)

TPT Retirement Solutions - The Growth Plan (continued)

The following schedule shows the deficit contributions agreed between the company and the scheme at each year end period:

	31 August 2018 £'000	31 August 2017 £'000	31 August 2016 £'000
Year 1	26	25	24
Year 2	26	26	25
Year 3	27	26	26
Year 4	28	27	26
Year 5	29	28	27
Year 6	30	29	28
Year 7	31	30	29
Year 8	3	31	30
Year 9	0	3	31
Year 10	0	0	3
	<u>200</u>	<u>225</u>	<u>249</u>

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

32 Subsidiaries

The Company owns all of the share capital of Abbots Bromley School Enterprises Limited, a company incorporated in England and Wales. This company carries out trading activity on behalf of the school including commercial letting.

Abbots Bromley School Enterprises Limited had a turnover of £22,327 (2017: £65,552), gross loss of £(3,348) (2017: £26,558), and a loss for the year ended 31st August 2018 of £(4,046) (2017: profit of £19,882). At 31 August 2018 the company had negative shareholder's funds of £(4,089) (2017: £57).

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

33 Consolidated Statement of Financial Activities - Comparative figures by fund type

Year Ended 31 August 2017	Unrestricted £	Restricted £	Endowed £	Total £
Incoming resources				
Charitable Activities				
School fees receivable	2,569,130	0	0	2,569,130
Government and Local Authority grants	0	33,086	0	33,086
Ancillary trading income	434,460	0	0	434,460
Other trading activities				
Non-ancillary trading income	69,442	0	0	69,442
Investments				
Investment income	793	11,175	1,374	13,342
Bank and other interest	56	0	0	56
Voluntary sources				
Grants and donations	207,981	0	0	207,981
Other incoming resources	0	0	0	0
Total incoming resources	3,281,862	44,261	1,374	3,327,497
Expenditure on:				
Raising funds				
Ancillary trading expenditure	122,474	0	0	122,474
Financing costs	263,172	0	0	263,172
Investment expenditure	430	2,652	276	3,358
Non-ancillary trading expenditure	45,640	0	0	45,640
Total deductible costs	431,716	2,652	276	434,644
Charitable activities				
Education and grant making	4,393,605	83,086	1,374	4,478,065
Total expenditure	4,825,321	85,738	1,650	4,912,709
Realised (losses) / gains on investment assets	2,219	10,707	0	12,926
Unrealised gains on investment assets	0	9,395	597	9,992
Net gains / (losses) on investment assets	2,219	20,102	597	22,918
Net income / (expenditure)	(1,541,240)	(21,375)	321	(1,562,294)
Transfer between funds	317,831	(317,831)	0	0
Net movement in funds for the year	(1,223,409)	(339,206)	321	(1,562,294)
Fund balances at 1st September	(3,027,165)	508,410	35,549	(2,483,206)
Fund balances at 31st August	(4,250,574)	169,204	35,870	(4,045,500)

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

34 Contingent liabilities

The Company, together with two fellow subsidiaries, subscribes to a pooled banking arrangement and overdraft facility with Lloyds Bank plc. This facility is secured by an unlimited all moneys guarantee from the Woodard Corporation and the subscribers to the facility. This facility includes an omnibus letter set-off covering all monies due both present and future from the Woodard Corporation and the subscribers to the facility.

The Company has been notified by TPT Retirement Solutions of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2017. As of this date the estimated employer debt for the Company was £352,644 including Series 3 liabilities.

35 Ultimate Controlling Party

The Woodard Corporation Limited is the ultimate controlling party, a registered charity number 1096270, which is incorporated in England and Wales. Copies of the financial statements of the Woodard Corporation can be obtained from High Street, Abbots Bromley, Rugeley, Staffordshire, WS15 3BM. The accounts of Abbots Bromley School Limited are included within the consolidated financial statements of the Woodard Corporation Limited.

36 Related parties

The Company is wholly owned subsidiary of The Woodard Corporation, a registered charity number 1096270, which is incorporated in England and Wales. An amount of £24,269 (2017: £15,462) was paid during the year to the corporation by way of a levy to meet corporation running costs. An amount of £174,012 (2017: £172,062) was paid during the year to an employee of The Woodard Corporation to cover salary, national insurance contributions and pension costs. This is then invoiced monthly and re-paid back to the school. An amount of £13,436 (2017: £13,439) was still owing to the school at year end.

The school entered into an agreement with APB Group for a medium-term credit of up to maximum aggregate amount of £100k on the 4th August 2016, on the 10th August 2016, on 15th August 2016, on 21st October 2016, on 24th October 2016 and also on 26th October 2016 the school entered into further agreements with the APB Group for a loan facility of up to a maximum aggregate amount of £100k. The school also entered into an agreement with the APB Group for a medium-term credit of up to maximum aggregate amount of £200k on 26th November 2016 and on 9th December 2016 the school entered into a further agreement with the APB Group for a medium-term credit of up to a maximum aggregate amount of £200k. The school uses all amounts borrowed by it under the facilities to meet its cash flow. The rate of interest on each credit facility is 4.5% per annum above the Bank of England's base rate. Mrs HM Graham BA Hons, Director on School Council, has a majority interest in APB Group.

The company also controls a subsidiary trading company, Abbots Bromley School Enterprises Limited (registered number 05181898), the results of which are detailed in note 32.

37 Accounting estimates and judgements

In preparing the financial statements, the directors are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown at note 1 to the financial statements.

ABBOTS BROMLEY SCHOOL LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2018

37 Accounting estimates and judgements (continued)

Pension scheme deficit reduction payments

As explained at note 31, there is a deficit reduction plan in place in respect of Abbots Bromley School's membership of the TPT Retirement Solutions' Growth Plan. FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

Pension scheme contingent liability

As explained at note 34, there is a contingent liability in the event that Abbots Bromley School were to withdraw its membership of the TPT Retirement Solutions' Growth Plan. The independent qualified actuaries advising the TPT Retirement Solutions in respect of the contingent withdrawal liability exercise significant judgement in determining the amount of that liability. Judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

38 Post balance sheet event

At the Balance Sheet date, the trustees of Abbots Bromley were seeking sufficient external funding to allow them to become directly responsible for the future of the school. The school continued to seek external funding after the Balance Sheet date, but this did not prove possible and in late November 2018 the Abbots Bromley trustees concluded that the risk to the long term future of the school outside the Woodard group was unacceptable, and they decided to remain part of the Woodard family. The School entered into new loan agreements with Woodard to support school operations. At a meeting in late February 2019 the directors of Abbots Bromley School Limited took the regrettable decision that, barring a significant change in circumstances, the company would cease trading as a school from the end of the Summer Term. After exploring initial options, an announcement was made in March 2019 and with all viable alternatives having been explored, trading operations finished as at 31st August 2019.

In the period since December 2018, the School has entered into a series of new loan agreements with Woodard for provision of financial support. This support was initially provided to support school operations and, after the cessation announcement further funds have been provided to allow for the orderly closure of school operations.

With the continuing support of the Woodard Corporation the Abbots Bromley School Limited company will remain open allowing for an orderly closure of the school and repayment of contractual liabilities. As outlined in note 1(b), the Abbots Bromley governing body has prepared and approved these financial statements on the going concern basis. These financial statements do not contain any adjustments to reflect the proposed closure of the school as the directors are of the opinion that the continuing support provided by the Woodard Corporation will allow the group and company to remain open for the foreseeable future.